

# Health Care Reform

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Although resilient and innovative, our region has struggled through successive financial challenges in the past decade that have resulted in growing unemployment and rising numbers of the un- and under-insured. Over the past nine years, I have heard repeated pleas from the Constituents of the 15 th District to fix the system, protect their families' financial health, and ensure access to high quality healthcare. I am proud to be a part of the Congressional effort to quickly and carefully craft healthcare legislation to address the gaps and inequities in our system. H.R. 3200, the America's Affordable Health Choices Act, has been introduced in the House of Representatives as the first step in the process of bringing healthcare reform to all.

Because of the enormous size of our nation's healthcare system and the wide-ranging need for reform, the legislation under discussion in the House of Representatives is necessarily complex and has generated a significant amount of debate among Members of Congress, in the media, and between concerned constituents. In fact, because of the amendment process and the separate legislative processes between the House and the Senate, there are currently four versions of the bill that need to be reconciled and the Senate Finance committee has yet to introduce their version of the bill. This post refers to the legislation as introduced but the information provided here and on the websites at the bottom of this posting is still relevant. Discussions about the bill that will come to the floor for a vote are ongoing and I will be providing updates on my website to reflect the changing structure of the bill.

I appreciate the opportunity to refute some misinformation about aspects of the bill while

explaining how aspects of the America's Affordable Health Choices Act will close the Medicare part D donut hole for seniors, lower cost, increase the quality of our healthcare, provide for greater choices, and extend coverage to the uninsured.

### **Closing the Donut Hole: Protecting Our Seniors**

The bill reduces the size of the donut hole by \$500 in 2011 and uses savings from a prescription drug rebate to close the donut hole completely over a 15 year period by codifying the agreement reached by President Obama with drug manufacturers. This agreement provides a 50 percent discount on brand name drugs in the donut hole during the phase-out period, which will provide some immediate relief to millions of seniors.

In an important correction to a much criticized provision of the Medicare Prescription Drug Improvement and Modernization Act of 2003, H.R. 3200 permits beneficiaries to change drug plans if the plan in which they are enrolled makes a formulary change during the middle of the year. In addition, it protects seniors by establishing new penalties for false or misleading marketing by Part D plans.

### **The Health Insurance Exchange: Ensuring Transparency**

The Health Insurance Exchange created in H.R. 3200 will reform the insurance market so that everyone can purchase high quality health insurance coverage by comparison shopping and, for eligible applicants, accessing affordability credits. Patients and businesses will be able to see the details of all health insurance plans in the exchange, including the public option, side-by-side in order to make informed choices based on cost and quality. Plans must explain their coverage in plain language so that consumers can understand their benefits.

To ensure that health care is affordable to people of all incomes, new affordability credits will be available for people purchasing insurance through the Exchange. They will assist people with incomes of up to 400% of the federal poverty level and phase-out on a sliding scale basis. Undocumented immigrants are specifically barred from accessing the affordability credits. Credits may be used to purchase either private health insurance plans or the public option. A cap on premiums and out-of-pocket spending will protect everyone, regardless of income, so no one will face bankruptcy due to medical expenses.

Businesses are free to continue providing health coverage to their employees as they do today – their participation in the health insurance exchange is not mandatory. Individuals are able to

choose and change health plans in exactly the same manner in which they do now and will not be forced to enroll in the public option if they do not choose to do so.

### **Public Health Insurance Option: Stimulating competition and covering the uninsured**

A public health insurance option will be available through the exchange and compete on an equal footing alongside all the private health insurance plans. Enrollment in the public health insurance plan is not mandatory – individuals and businesses are free to choose among private insurance plans or the public plan. The public option must be financially self-sustaining and build start-up costs and contingency funds into its rates and adjust premiums annually so as to assure its financial viability, just as private plans do.

The public option will promote primary care and improve quality by encouraging the creation of a “medical home” and the use of coordinated care. It must comply with all the structural requirements of participation in the health insurance exchange in the same way as the participating private plans. In many states and regions of this country, one or two health insurance companies control virtually all of the insurance market, leaving consumers with no choices other than a single insurer that faces no competition in setting rates and providing care. The introduction of a public option increases competition and will drive down cost by forcing those companies to increase quality, and control waste, fraud, and abuse.

I am strongly in favor of a public option, as I believe that it is the only way to break the stranglehold of the insurance industry on the wallets of the American people. I will not vote for a bill that does not contain a robust public option which will ensure Americans have choices in health coverage.

This overview of the broadest elements of the health reform bill is detailed but not exhaustive. Many of the elements of the bill will continue to change as negotiations continue in committee and between the House and the Senate in the coming months. I encourage you to visit the following websites for more information.

### **Seniors and Health Insurance Reform**

- Fact Sheet, [“Meeting Health Care Needs of Senior Citizens and People with Disabilities”](#)

- Fact Sheet, [“Strengthening Medicare”](#)
- Fact Sheet, [“Improving the Medicare Part D Drug Program”](#)
- [Health Insurance Reform DAILY MYTHBUSTER: Impact on Seniors](#)
- Fact Sheet, [“Republicans: A History of Attacking Medicare”](#)
- [What’s in it for Seniors, prepared by Third Way and Herndon Alliance](#)

President Obama and Congress are working to fix what's broken in our health care system and strengthen what's working. Medicare-which has provided health care for Americans age 65 and older for the last 44 years-is working, and will be strengthened under America's Affordable Health Choices Act ( [H.R. 3200](#) ). Without reform for all Americans, health care costs will keep rising, and it could jeopardize Medicare's ability to keep covering costs. Rising costs hit seniors' wallets too-with the average Part D plus Part B premium consuming an estimated 12% of the average Social Security benefit in 2010-and 16% by 2025. The debate on reform has been intense, and often filled with frightening-and wrong-information. AARP is speaking out against the scare tactics: "We won't stand idle when opponents of health care reform attempt to scare or mislead the American people-and older Americans in particular-about what fixing the system really means," said AARP Executive Vice President Nancy LeaMond. This guide:

- Answers what's in the House reform bill for you
- Clears up some misinformation
- Answers questions frequently asked by older Americans

Guide:

[8.5x11 PDF](#)

[11x17 PDF](#)

## How Will H.R. 3200 Help You?

### Cost Savings Calculators

Individual Cost Savings:

<http://www.americanprogress.org/issues/2009/09/healthcarecalc.html>

Small Business Cost Savings:

## In the News

### Related Articles:

Opponents, proponents of health care reform face off in noisy confrontation in Los Gatos

SAN JOSE MERCURY NEWS

September 14, 2009

[http://www.mercurynews.com/topstories/ci\\_13330740](http://www.mercurynews.com/topstories/ci_13330740)

Health Care Fit for Animals

THE NEW YORK TIMES

August 26, 2009

By Nicholas D. Kristof

<http://www.nytimes.com/2009/08/27/opinion/27kristof.html?em=&adxnnl=1&adxnnlx=1251388918-DZOecluL6JYjHImJOJR3Dw>

### OpEds:

Health Care Requires a Public Option

EL-OBSERVADOR

September 11-17, 2009

[http://el-observador.com/e\\_edition.html](http://el-observador.com/e_edition.html)

'Political Courage' Needed for Health Care Reform

NICHI BEI TIMES

Sept. 3-9, 2009

<http://www.nichibeitimes.com/?p=5773>

Public Option Enjoys Broad Support Despite Falsehoods Spread by Critics

THE HILL

September 10, 2009

<http://www.thehill.com/special-reports-archive/555-healthcare-september-2009/57961-public-option-enjoys-broad-support-despite-falsehoods-spread-by-critics>

Misinformation Makes Town Hall Meetings Tough

SAN JOSE MERCURY NEWS

September 9, 2009

[http://www.mercurynews.com/opinion/ci\\_13294404?nclick\\_check=1](http://www.mercurynews.com/opinion/ci_13294404?nclick_check=1)

Robust Public Health Insurance Option a Must

ASIANWEEK

August 26, 2009

<http://www.asianweek.com/2009/08/26/robust-public-health-insurance-option-a-must/>

Real health care reform requires public option

TAMPA TRIBUNE

August 26, 2009

By Michael Honda (w/ 4 Caucuses)

<http://www2.tbo.com/content/2009/aug/26/na-real-health-care-reform-requires-public-option/news-opinion-commentary/>

California needs health care reform

SAN FRANCISCO CHRONICLE

August 15, 2009

By Michael Honda

[http://www.sfgate.com/cgi-bin/blogs/opinionshop/detail?entry\\_id=45532](http://www.sfgate.com/cgi-bin/blogs/opinionshop/detail?entry_id=45532)

Opción pública en el plan del cuidado de salud

LA OFERTA

July 30, 2009

By Michael Honda and Raul Grijalva

[http://laoferta.com/index.php?option=com\\_content&task=view&id=5276&Itemid=38](http://laoferta.com/index.php?option=com_content&task=view&id=5276&Itemid=38)

Healthcare: Regina Benjamin is a welcome choice for U.S. surgeon general

THE HILL

July 14, 2009

By Michael Honda

<http://thehill.com/healthcare-regina-benjamin-is-a-welcome-choice-for-u.s.-surgeon-general.html>

A Public Option Must Be Part of Health Care Plan

ROLL CALL

July 10, 2009

By Michael Honda and Raul Grijalva

<http://www.rollcall.com/news/36661-1.html>

Public option is key to health reform

POLITICO

June 24, 2009

By Michael Honda and Raul Grijalva

<http://www.politico.com/news/stories/0609/24103.html>

Asian-Americans confront distinct set of challenges

THE HILL

February 11, 2009

By Michael Honda

<http://thehill.com/op-eds/asian-americans-confront-distinct-set-of-challenges-2009-02-10.html>

## Resources

Speaker of the House <http://www.speaker.gov/newsroom/legislation?id=0327>

House Committee Energy and Commerce <http://energycommerce.house.gov/>

House Committee on Education and Labor

<http://edlabor.house.gov/markups/2009/07/hr-3200-americas-affordable-he.shtml>

House Committee on Ways and Means

<http://waysandmeans.house.gov/MoreInfo.asp?section=52>

Key points about H.R.3200 [America's Affordable Health Choices Act Information Packet](#)

Fighting the [Myths About Health Care Reform](#)

More Resources: <http://majorityleader.gov/docUploads/HealthCareReformResources081409.pdf>

Full text of the bill, fact sheets, and the text of amendments offered during markup are all available at these websites. I look forward to continuing the dialogue about the details of health reform as the debate moves forward.

## En Español

- [Como Te Beneficia La Reforma Del Seguro Médico](#)
- [Y Que Hay En Esto Para Mi](#)
- [Opción pública en el plan del cuidado de salud](#)

Para seguir dejando claro lo que la reforma del sistema de seguro médico realmente significa para los estadounidenses, estamos lanzando la versión en español del sitio “Reality Check” en <http://www.WhiteHouse.gov/LaRealidad>

Ayer dimos a conocer el nuevo sitio usando el blog de WhiteHouse.gov, con este mensaje:

[La Realidad: La verdad sobre la reforma del seguro médico ahora está disponible en Español.](#)

No nos podemos dar el lujo de ignorar la reforma del sistema de seguro médico. Cada día, 14,000 personas pierden su cobertura de seguro de salud, y los costos del seguro de salud en los últimos nueve años se han doblado. Además, un reporte reciente encontró que en solo los últimos tres años las compañías de seguro le han negado cobertura a mas de 12 millones de personas simplemente por que alguien decidió que la persona tenía una condición preexistente.



[WhiteHouse.gov/LaRealidad](http://WhiteHouse.gov/LaRealidad) incluye los hechos sobre lo que verdaderamente haría la reforma del seguro de salud para enfrentar los retos del sistema actual, y por supuesto, lo que no haría. Ya tenemos también un [video en español](#) ...Y el sitio ofrece subtítulos en español para todos los excelentes videos que ya están destacados en el sitio Reality Check. Para dejar claro que la reforma del seguro de salud ofrece mayor seguridad para ustedes, hemos incluido respuestas a [preguntas que nos han hecho con frecuencia](#), y las [ocho protecciones que se establecerían para los consumidores](#) de seguro médico.

Esta página también le permite acceso a herramientas fáciles de usar para compartir esta información con sus colegas, sus amigos, y su familia, para que los estadounidenses puedan tener un debate completo y sustantivo, basado en los hechos. Esperamos que les sea útil, y les agradecemos el haber tomado el tiempo para visitar el sitio.

## The Daily Update

9/16/08 - New Reports Underscore Need for President's Health Insurance Reform Plan (coming soon)